

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 613 – HB 710

March 30, 2019

SUMMARY OF ORIGINAL BILL: Authorizes a patient, an authorized representative, an insurance company, an employer, or other organization responsible for the reimbursement or payment of medical services, to submit an electronic request to a hospital for a detailed statement of services received and expenses incurred by a patient.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006724): Deletes all language after the enacting clause. Prohibits a hospital from including in any billing statement to a patient any language that indicates or implies that a charge is for a specialty healthcare service that was rendered by a healthcare provider unless: (1) the charge is described in a manner that provides the patient with sufficient information to identify the healthcare provider or the specialty healthcare service rendered; and (2) the costs of any supplies, equipment, or other services rendered to the patient by or at the hospital are excluded from the amount charged for the healthcare provider or the specialty healthcare service rendered; or the billing statement includes language or is accompanied by a notice to inform the patient that billed amounts for services do not include charges for healthcare providers who are not employed by the healthcare facility.

Requires a healthcare provider who includes a charge in a billing statement to a patient for the costs of any supplies, equipment, or other services provided by a healthcare facility to include language or an accompanying notice with the billing statement to inform the patient that those charges are included.

Establishes that a violation of this part is considered an unfair or deceptive act or practice affecting the conduct of trade or commerce pursuant to the *Tennessee Consumer Protection Act of 1977*. Effective January 1, 2020.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

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Assumptions for the bill as amended:

- The Division of Consumer Affairs, of the Department of Commerce and Insurance, can handle any increase in formal complaints utilizing existing staff and resources during normal work hours.
- Committing an unfair or deceptive practice under the Consumer Protection Act of 1977 is a Class B misdemeanor offense.
- There will not be a sufficient number of Class B misdemeanor prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- The proposed legislation will not have a significant impact on the procedures or processes of the Board for Licensing Health Care Facilities (HCF) or the Department of Health; therefore, any fiscal impact is estimated to be not significant.
- The Board of HCF is required to collect fees in an amount sufficient to pay the costs of operating the Board. All fees collected by the Board are deposited by the Department of Health with the State Treasurer to the credit of the General Fund and shall be expended by the Department and included in the appropriation made for the Board in the General Appropriations Act.
- Any change in expenditures of the Board is estimated to be not significant.
- The Board of HCF had a deficit of \$161,129 in FY16-17 and a deficit of \$562,731 in FY17-18.
- Any impact to the Division of TennCare or the Department of Finance and Administration, Division of Benefits Administration, will be not significant.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- The proposed legislation will not impact the level of payments provided by patients or their insurers to health care providers.
- The proposed legislation will create additional billing requirements upon hospitals.
- Any additional requirements on hospital billing departments is estimated to have no significant impact on commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/vlh